

WACHOVIA

Irrevocable Standby Letter of Credit No.: LC870-122413

July 13, 2000

Beneficiary:

Fireman's Fund Insurance Company
777 San Marin Drive
Novato, California 94998
Attn: Collateral Custodian

Applicant:

W.R. Grace & Co. – Conn.
7500 Grace Drive
Columbia, MD 21044

Amount: USD 13,000,000.00
Exactly Thirteen Million and ⁰⁰/₁₀₀'s
Only U.S. Dollars

COPY

Date of Expiry: July 5, 2001
Or any future extended expiry as
provided herein.

Place of Expiry: At our counters for
payment.

Gentlemen:

We hereby authorize you to draw on us for the account of W.R. Grace & Co. – Conn., 7500 Grace Drive, Columbia, MD 21044 up to an aggregate amount of USD 13,000,000.00 (Thirteen Million and ⁰⁰/₁₀₀'s U.S. Dollars), available by your drafts at sight accompanied by your signed statement that funds are required to cover liability, loss, cost, expenses or unpaid premiums incurred by the Beneficiary, or by any subsidiary or affiliate of the Beneficiary under a bond or undertaking in the sum of USD 43,038,931.91 executed by the Beneficiary or by any subsidiary or affiliate of the Beneficiary, on behalf of W.R. Grace & Co. – Conn. in favor of Aaron Clifton Edwards, et al.

It is a condition of this Letter of Credit that it shall be deemed automatically extended without amendment for one year from the present or any future expiration date hereof, unless thirty (30) days prior to any such date we shall notify you by registered letter addressed to the above address that we elect not to consider this Letter of Credit renewed for any such additional period. Upon receipt by you of such notice, you may draw hereunder, without having incurred liability by reason of having executed your bond or undertaking, by means of your drafts on us at sight accompanied by your signed statement that the aforesaid bond or undertaking is still outstanding and that the proceeds of your draft will be retained and used by you to meet any payments which you might thereafter be required to make under your bond or undertaking and further, that in the event of your liability under your bond or undertaking is satisfied, you will refund to us, the amount paid, less any amounts applied by you in reimbursement of liability, loss, cost, or expense incurred by you under your bond or undertaking and any unpaid premiums due you on said bond or undertaking.

♦continued♦

**DEFENDANT'S
EXHIBIT**

FFICSC Exh. 4

FFICSC000015

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We hereby agree with you that all drafts under and in compliance with the terms of this Letter of Credit will be duly honored on delivery of documents as specified if presented at this office on or before July 5, 2001 or any automatically extended date, as hereinbefore set forth.

Except so far as otherwise expressly stated, this Letter of Credit is issued subject to the International Standby Practices – ISP98, effective January 1, 1999, ICC Publication No. 590, and the Laws of the State of California, including the 1995 Revision of Article 5 of the Uniform Commercial Code, in force in the State of California. In the event of a conflict, ISP98 will govern to the extent permissible by law.

Very Truly Yours,
Wachovia Bank, N.A.

By: 
Authorized Signature

/tkp.

Please direct any correspondence including drawing or inquiry quoting our reference number to:

**Wachovia Bank, N.A.
401 Linden Street
Winston-Salem, NC 27101
Attn: Standby Letter of Credit Unit**

♦this document consists of two (2) pages♦

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